

# DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

## Minutes

September 10, 2018

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:09 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Drive, Room 206, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Robert W. Warren, Ronald S. Searce; Alternate Elton W. Blackstock was absent.

City/County staff members attending were: Danville City Manager Ken Larking, County Administrator David Smitherman, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague Bobe, Project Manager Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, City of Danville Director of Finance Michael Adkins, City of Danville Senior Accountant Henrietta Weaver, City of Danville Director of Community Development Kenneth Gillie, City of Danville Senior Planner Bryce Johnson, Clement Wheatley Attorneys Michael Guanzon and Jennifer Burnett and Executive Secretary Amanda Allen. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis, Executive Director of IALR Marc Gignac, Linda Green from SVRA and City of Danville Councilman Madison Whittle.

Chairman Warren noted, Secretary Susan DeMasi is on vacation and absent today. Per Article 6, Paragraph 5A of the By-laws, I here appoint Amanda Allen a member of the Authority Staff to be responsible for the presentation of detailed minutes of this meeting.

### **PUBLIC COMMENT PERIOD**

No one desired to be heard.

### **APPROVAL OF MINUTES FOR THE AUGUST 13, 2018 MEETING**

Upon **Motion** by Mr. Saunders and **second** by Mr. Shanks, Minutes of the August 13, 2018 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

### **NEW BUSINESS**

#### **5A. – CONSIDERATION OF RESOLUTION NO. 2018-09-10-5A APPROVING THAT CERTAIN PERFORMANCE AGREEMENT WITH APPALACHIAN POWER COMPANY**

Pittsylvania County Director of Economic Development Matt Rowe explained this item was discussed in the past regarding the right-of-way to identify the proper route for the 138kV line coming into the park. The first part of the process to acquire the right-of-way is approving the performance agreement. Staff met with Mr. Swisher, the Authority's legal counsel has reviewed this and the funds shown are Tobacco Commission funds as far as the local match. Mr. Rowe explained this is a multi step process, once this agreement is signed, the next step will be the engineering study work and then studying how the parcel will be impacted by the right-of-way. The third step would be acquiring the right-of-way, and the fourth step would be once a user is on the property, actually building the infrastructure itself; this will be a year long process. The actual timeline of constructing the power line infrastructure will take 12 to 15 months. Mr. Rowe reminded everyone how important this timeline was because it gives times to get the property into the "sweet spot" that the state has mentioned in numerous meetings, of having the ability to have finished construction of the infrastructure within 16 months of a large company signing to locate on the property. Authority Attorney Michael Guanzon added that it is not a flat rate, there is a budget, plus a 25% contingency budget that totals the

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\$1,655,000. The contract states that if the cost exceeds that amount, either party can walk away and come back for further discussions. Staff budgets this amount, the money gets deposited with Appalachian Power; they pull it out and send it to the Treasurer to look at to make sure it is the appropriate cost.

City Manager Ken Larking asked Director of Finance Michael Adkins to explain how the local share would work in this project. Mr. Adkins stated Tobacco Commission Grant #2264 totals \$2.7M; there is a \$1M local match, \$500,000 comes from the City and \$500,000 from the County. Staff has asked if the local match had to be spent first or if it can be done pro rata throughout the life of the grant; they are waiting for a response on that. Mr. Shanks asked if it was anticipated that pro rata would be accepted and Mr. Adkins noted that is what they are hoping. Mr. Larking asked if both localities would have to appropriate funds to go to RIFA in order to cover the cost and Mr. Adkins stated the money had not been transferred to RIFA. He could not speak for the County, but the City would have to make an appropriation for the local share. Mr. Shanks questioned if it was placed in the budget and Mr. Adkins noted the grant was awarded in 2011 and at the time it was felt that RIFA should wait for the work at hand before the appropriation was made. Mr. Guanzon added there is an ability for reimbursement if there are enough users in a ten year window after it is constructed. Mr. Shanks asked how much the City would need to budget and Mr. Larking responded the maximum would be \$500,000 however, if it is pro rated then it would be about half.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-09-10-5A, approving that certain Performance Agreement with Appalachian Power Company, a Virginia public service corporation ("APCo"), for the construction of a 138 kV electric power transmission line to service the Authority's Southern Virginia Mega Site at Berry Hill ("SVMS") project, located in Pittsylvania County, Virginia, at an estimated aggregate cost of \$1,655,000, for the permitting process, final line design and preliminary substation design, right of way and substation site acquisition, along with a 25% contingency budget; those costs are subject to refund by APCo, should the actual metered capacity usage in the SVMS reach at least 60% of certain usage threshold for three consecutive months.*

The Motion was **seconded** by Mr. Searce and **carried** by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

**5B. FINANCIAL STATUS REPORT AS OF JULY 31, 2018**

Authority Treasurer Michael Adkins gave the Financial Status report as of August 31, 2018, noting the \$7.3M in bonds for Cane Creek show expenditures for August of \$495 to Dewberry for continued wetland monitoring and \$557 to Clement and Wheatley for legal services. Mr. Adkins stated there were still FY18 General Expenditures, with \$14,947 paid to Clement and Wheatley for legal fees; FY19 General Expenditures show one expenditure of \$219 for meals during the month of August. Funding for the Mega Park other than Bonds shows no activity for August, Lot 4 Site Development shows \$18,000 expended to Dewberry for Phase 1 pad expansion and there were no expenditures for Lot 8 site development. Water and Sewer at Berry Hill show \$8,640 expended to Dewberry for Amendment 20 that came out of Tobacco Commission Grant 3011, and \$2,500 was paid to AECOM for a utility occupancy license and application fee that also came out of that same grant. FY18 Rent, Interest and Other Income shows no activity for August. FY19 Rent shows RIFA received \$11,370 from the Institute which is slightly less than normal due to the refund paid to Virdia related to the Hawkins'

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Building, and \$439 of interest income. Expenditures were \$20,654 paid to the Institute for the Maintenance of the Hawkins' Building.

Mr. Shanks **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Saunders and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

**5C. – CONSIDERATION OF RESOLUTION NO. 2018-09-10-5C APPROVING THOSE CERTAIN PLANS AND SPECIFICATIONS FOR “INSTITUTE FOR ADVANCED LEARNING AND RESEARCH HAWKINS EXPANSION DANVILLE CYBER PARK”**

Senior Planner for the City of Danville Bryce Johnson stated that since the building is in the Cyber Park the Authority needs to grant approval of the building. The main concern has to do with the exterior of the building having brick and metal pinned over; this is consistent with other buildings in the area. Mr. Guanzon asked if the building has been approved by the City and Mr. Johnson explained the building does meet all City zoning and inspection codes. Dewberry Engineer Shawn Harden stated that the metal panels are not traditional metal panels, they are a sandwiched metal panel with insulation on the inside and are very architectural. Mr. Guanzon asked Mr. Johnson if the material is not prohibited but rather discouraged, and overall Community Development feels that it is okay and Mr. Johnson noted that was correct. Mr. Warren asked Mr. Harden if what he stated was that aesthetically it would fit fine and Mr. Harden stated that it would.

Mr. Searce **moved** for adoption of *Resolution No. 2018-09-10-5C, approving those certain plans and specifications for “Institute for Advanced Learning and Research Hawkins Expansion Danville Cyber Park”, Project No. 50101432, dated July 20, 2018, submitted by Dewberry, for construction on certain real property in the Authority’s Cyber Park project in Danville, Virginia, and commonly known as 228 Slayton Avenue, Danville, Virginia.*

The Motion was **seconded** by Mr. Shanks and **carried** by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

**6. CLOSED SESSION**

*[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]*

At 12:35 p.m. Mr. Saunders **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended (“Virginia Code”), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business’s interest in locating its facilities in one or more of the Authority’s projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;

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B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development and (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code §2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority's Berry Hill Mega Site project where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in the Authority's Berry Hill Mega Site project subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); and

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

The Motion was **seconded** by Mr. Searce and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

D. On **Motion** by Mr. Searce and **second** by Mr. Shanks and by unanimous vote at 1:13 p.m., the Authority returned to open meeting.

E. Mr. Searce **moved** for adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

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**7. COMMUNICATIONS**

Mr. Shanks thanked everyone for continuing all of their hard work to keep projects moving forward.

Mr. Warren thanked Mr. Guanzon and Clement Wheatley, they do a great job and are always prepared, and thanked staff as well.

Mr. Guanzon reminded everyone that the October RIFA meeting will fall on Columbus Day therefore the next RIFA meeting will be held on Tuesday, October 9, 2018 at 12:00 p.m.

Mr. Rowe mentioned that today's meeting did not seem the same without Denice Thibodeau sitting at the table. He asked everyone to take a moment to recognize her since she was a huge component as far as what RIFA did, covering the events, and to keep her family in their thoughts and prayers. Mr. Warren noted his agreement.

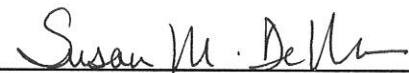
Mr. Rowe also mentioned staff is working on the logo and signage plan and hopefully something will be presented within the month, maybe at the next meeting. Ms. Bobe and Ms. Ashworth are doing a great job trying to come up with some logos, brands and themes. Staff's goal is to have some signage at Berry Hill, especially with the prospects that they are seeing.

Mr. Saunders asked Mr. Tucker and Mr. Rowe if there was any additional news to add to the Kyocera ribbon cutting and Mr. Tucker reminded everyone of the "Save the Date" for next Tuesday, September 18, 2018. Mr. Tucker mentioned that members of the Executive team from Japan will be here, and tours will be given of the facility as well. Mr. Tucker noted that it is truly a remarkable advanced engineering building that is second to none and is helping to change perceptions as to what manufacturing is going forward. Mr. Saunders thanked Mr. Tucker and Mr. Rowe for the wonderful job that they have been doing for RIFA.

Meeting adjourned at 1:19 p.m.



Chairman



Secretary to the Authority